Bush backs minimum wage

(Continued from page 1)
regular hourly minimum for their first 60 to 90 days on the job.

In contrast, the legislation being promoted now by congressional Democrats contains no such training-wage provision. The Senate bill would boost the minimum to $4.55, while the version approved by the House Labor Standards Committee calls for a whopping 50-percent increase, to $5.05.

Although representatives of Bush told Nation's Restaurant News that he had not, at first, endorsed a specific wage rate—"That might happen in a week or so," one said—other GOP leaders have recently suggested a hike to the $4-to-$4.25 range.

Earlier this month Bush's running mate, Sen. Daniel Quayle, R-Ind., expressed support for a $4 hourly minimum linked to a training-wage provision, and Ann McLaughlin, secretary of labor, suggested that President Reagan would not veto legislation along those lines.

Although food-service leaders widely support a special training wage, the vice president's minimum-wage-position shift drew a mixed reaction at best from the restaurant industry.

Richard Berman, chairman of the food-service-industry-backed Minimum Wage Coalition to Save Jobs, called Bush's reversal a "disappointment," adding that it came at a time when the minimum-wage drive was losing ground.

Meanwhile, Mark Gorman, National Restaurant Association government relations chief, voiced similar concerns, adding that the NRA continues to oppose any change in the federal minimum wage.

Other industry segments are more flexible, however. Earlier this summer the Food-service and Lodging Institute announced that its chain members were prepared to reconsider their opposition to pending minimum-wage legislation if a compromise could be struck involving a training wage.

Earlier this month Bush's running mate, Sen. Daniel Quayle, R-Ind., expressed support for a $4 hourly minimum linked to a training-wage provision, and Ann McLaughlin, secretary of labor, suggested that President Reagan would not veto legislation along those lines.

"This does not mean that we'll endorse any minimum-wage increase if it is coupled with a training wage," explained John Merritt, government relations committee chairman at the institute. According to Hardee's vice president, he said, "we are going to have to look at the numbers when a bill finally begins to emerge."

Bush's new position on the minimum wage represents a radical departure from his earlier statements on the issue. In a formal position paper supplied to Nation's Restaurant News by the GOP presidential campaign staff only a week before his reversal Bush said:

"I oppose raising the minimum wage because it would hurt, not help, low-income workers. By raising the minimum wage, government would raise the costs for a business to hire a new worker. This would increase unemployment, and it would deprive many teen-agers of the opportunity to learn the job skills they need."

IFMA makes '89 projections

(Continued from page 1)
Forecast.

That compares with the 1.1 percent projected for 1988 and the 5 percent posted for 1987, according to the data, which were compiled for IFMA by Technomic Inc., a Chicago research house.

Sales within the largest restaurant category—a segment that encompasses most eating places except bars, fast-food outlets, and cafeterias—will decline 0.5 percent in 1989 after dropping a full percentage point in 1988, Technomic staffers said.

Negative real growth means that a recession has already hit that market, which, according to IFMA, accounts for roughly one-fourth of all food-service sales.

"We wish we could stand up here and say we're seeing a rebound, but that's not the case," Robert Goldin, a Technomic senior principal, said in releasing the IFMA data here to an audience of food-service suppliers and journalists. "There's going to be more of a drop-off."

"You have to recognize that the good ol' days are gone, and they're not coming back," said Ron Paul, Technomic's president.

Members of his staff projected that the industry's sales will inch upward in real terms by only 1.5 percent this year, after increasing by 3.4 percent in 1987.

Technomic based its forecasts on estimates of how much food will be sold by distributors to various types of eating places in 1989. The numbers indicate that:

- The college-feeding market will also experience negative real growth in 1989, with sales likely to decline by 1 percent.
- Hotels, motels, and resorts will sell about as much food in 1989 as they did this year. The flatness actually marks an improvement from past years, when sales had declined by as much as 2.7 percent.
- Cafeterias and drinking places that serve food will take in only 1 percent more in food-service sales than they did in 1988.
- Sales of all commercial food-service facilities will grow by 1.1 percent, while non-commercial outlets—employee-feeding operations and other places that are not expected to turn a profit—will boost their sales by 1.3 percent.

"For the first time, we're seeing non-commercial [places] outpace commercial [ones]," Goldin said.

Among the segments expected to fuel growth in the commercial sector next year is the convenience-store market, with Technomic predicting a sales increase of 4 percent, compared with a projected 1988 rise of 3 percent.

But even within that arena, the bloom appears to be off the rose. The sales increase forecast for 1989 pales in comparison with the 5.7-percent rise recorded in 1987 and the 7.1-percent jump posted in 1986.

"A number of the major [convenience-store] chains have had very flat food-service sales," Goldin reported.

Fast-food restaurants—convenience stores' major competition—also appear to be losing steam.

"Traditionally, fast food has been among the fastest-growing segments," noted Ralph Rush, Technomic senior consultant. Yet, he indicated, the quick-service sector's real sales will increase by only 2.5 percent in 1989, compared with the 3.5-percent upswing recorded in 1988 and the 4-percent spurt registered during the prior year.

"We expect to see a scaling back of unit expansion," he said.

The Technomic personnel provided few reasons for the food-service industry's downturn.

"It's a very mature business," Goldin suggested. "It's overbuilt."

The staffers agreed with attendees who commented during question-and-answer periods that the explanations sometimes seemed to contradict one another.

'Traditionally, fast food has been among the fastest-growing segments,' noted Ralph Rush, Technomic senior consultant. Yet, he indicated, the quick-service sector's real sales will increase by only 2.5 percent in 1989, compared with the 3.5-percent upswing recorded in 1988 and the 4-percent spurt registered during the prior year.

For instance, Goldin said at one point that "independents seem to be doing well." Yet the statistical classification into which those places fall—a category that the government and Technomic define as "restaurants and lunch rooms"—is the only commercial segment that will experience negative growth next year, according to the forecast.

In explaining why that broad market will fare poorly in 1989, Paul observed that "the drive for convenience is putting more players into the fast-food business, and that is taking away from midpriced places."

Yet, as some attendees noted during lunch, Technomic has forecasted that fast-food sales growth will slow during 1989.

"I wish we could be more optimistic about the coming year," Goldin said in concluding a segment-by-segment examination of the prospects for food service. "But in fact, it will be a slow-growth year. The industry is in the doldrums. There are opportunities to grow in this environment, but it's going to take more work, more homework."

Sweepstakes scam at Taco Bell

(Continued from page 1)
alleged that C&K pocketed the money.

It also charged that Curtin and Kissane contrived that Jerome S. Baratta, a car dealer in New Jersey and a relative of Kissane, would win the second prize of $25,000. Again, it was alleged that Baratta was only a "paper winner." Curtin's brother, Kim John Curtin, was also named.

All five were similarly charged with rigging a promotion for Alpha Beta supermarkets.

Neither Taco Bell nor Alpha Beta was charged with any wrongdoing. Indeed, federal investigators noted they helped uncover the scheme and cooperated in the investigation.

"Taco Bell was victimized," said Lisa Holler, a spokeswoman for Taco Bell.

She said Taco Bell first became suspicious of an irregularity when one of its district managers had trouble in locating a winner. The chain subsequently noticed that several winners' names, provided by C&K, were misspelled.

"Suspicions led to an investigation by our own staff," Holler said. "We talked to the wife of our $28,500 winner, and she knew nothing of her husband's winning. We continued to dig deeper."

At Taco Bell's prodding, C&K at one point provided information from a CPA firm that showed the contest to be legitimate, Holler said. But she noted that Taco Bell learned that a relative of a C&K executive, who has since resigned, was with the accounting firm.

Stanley N. Lupkin said the defendants 'have done nothing criminally wrong and look forward to their vindication after the trial.' He said the company has been in business at least 10 years and until now had 'no blemish on its record.'

Stanley N. Lupkin, an attorney representing one of the C&K executives, said the defendants "have done nothing criminally wrong and look forward to their vindication after the trial." He said the company has been in business at least 10 years and until now had "no blemish on its record."

Lupkin said C&K has worked for a number of retail clients, including restaurants. He said it has done a substantial amount of work for Pepsico, including not only its Taco Bell subsidiary but Burger King as well. Burger King would not comment on its relationship with C&K.

Holler said that Taco Bell has run three game promotions in the last five years, including the "Wheels, Reels and Meals" sweepstakes, and that it is not very interested in such projects anymore. "Our sales results indicate we're more successful with focusing on products and quality rather than toys and trinkets," she said. "But if something does come up, we'll certainly be more cautious."

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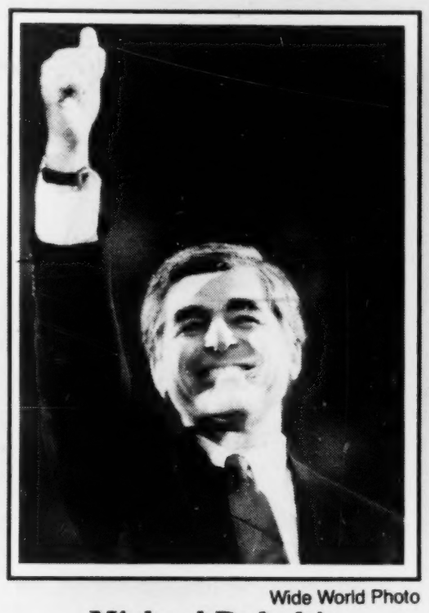
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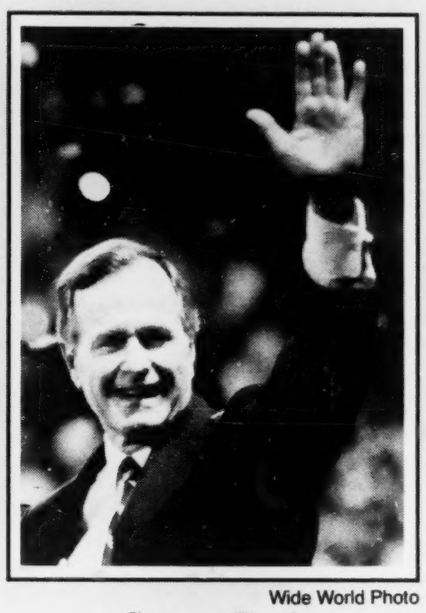
Michael Dukakis


Wide World Photo
George Bush

Duke vs. Bush

Operators face tough choice at polls

By Ken Rankin

WASHINGTON — After eight years under Reagan, many restaurateurs are again considering a change.

But is Massachusetts Gov. Michael Dukakis just a warmed-over President Carter? And will Vice President George Bush be any better for the food-service industry than his predecessor?

A look at their records and policies suggests food-service voters face a hard choice next month at the polls. In addition, political issues are expected to be a key topic at NRN's Multi-Unit Food Service Operators conference here this week.

When the Republicans swept into power during the 1980 Reagan landslide, many in the food-service industry welcomed the change. After four years in control of the White House, Jimmy Carter and the Democrats had managed to sour the economy, drive up restaurant payroll costs, and limit hopes for growth of expansion-minded food-service operators.

Inflation and unemployment were both running in the double digits, prohibitive interest rates put the cost of investment capital out of the reach of most businesses, chronic gasoline

*(See **BUSH OR DUKAKIS**, page F9)*

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1,000 execs meet at MUFSO to talk business, politics

By Charles Bernstein

WASHINGTON — More than 1,000 food-service chain and supplier executives descend on Washington this week for Nation's Restaurant News' 29th annual Multi-Unit Food Service Operators (MUFSO) conference, a three-day conclave featuring two senators, a governor, a leading network television anchorman, and a wide array of 80 industry headline speakers and panelists.

MUFSO '88 meets in D.C.
NRN meeting honors industry's finest.
Focus section
Who's to blame for min. wage hike
Dateline Washington
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The Washington Hilton Hotel is the setting, not far from the Capitol Hill minimum-wage and other legislative struggles and in the midst of hard-fought presidential and congressional election campaigns.

Kicking things off is Tom Brokaw, NBC-TV News anchorman who has

*(See **MUFSO**, page 201)*

REGI, Riese ink deal on Houlihan's

Frees REGI for new expansion in West

By Bill Carlino

IRVINE, Calif. — Shifting focus to Western expansion of its core restaurant concepts, Restaurant Enterprises Group Inc., based here, is selling the bulk of its Gilbert/Robinson division to the New York-based Riese Organization.

Riese, which confirmed it would pay between $200 million and $250 million for 56 Houlihan's, 11 Darryl's, and 40 other restaurants, gains a foothold in the national casual-dining market.

The deal comes on the heels of Restaurant Enterprise's recent sale of 16 units to four executive board members of Gilbert/Robinson: founder Paul Robinson; Richard May, president of the G/R specialty restaurant division; Judy Williams, vice president of operations; and chief financial officer Marvin Clark.

Both moves allow the company to repay some of the debt incurred in 1986 in a $537 million leveraged buyout of 690 restaurants from W.R. Grace & Co. Restaurant Enterprises grossed more than $1.2 billion in 1987.

"We were proceeding along on a

*(See **REGI**, page 201)*

US probe hits food-service 'sweatshops'

By Rajan Chaudhry

WASHINGTON — A new investigative report by the non-partisan General Accounting Office assails the food-service industry for chronic wage, child labor, safety, and health violations.

The report, "Sweatshops in the U.S.," surveyed more than 100 federal and state officials about industries in which they believed sweatshops—businesses that regularly violate both safety or health and wage or child labor laws — are acute problems.

"What we found was that the restaurant industry was most frequently cited as the one in which officials felt there was a serious problem," said Carlotta J. Young, group director for the Human Resources Division of the GAO, which was responsible for the report.

"We also found that the problem was pretty much throughout the country; there were just some segments of the Southwest and Alaska and Hawaii that were not cited by the federal officials we talked with."

Mark Gorman, National Restaurant Association senior director of government af-

*(See **GAO**, page 201)*

FOOD WATCH

Blue mood

Fall is blueberry season, so blueberry tarts, pies, and sorbets are popping up on menus.

But bar manager Al DeWinter has added a new twist to blueberries by creating a line of $4-to-$5, aviation-themed specialty drinks around them at the new Atomic Cafe in Manhattan.

DeWinter's list includes the Blue Angel, with fresh blueberries, blueberry schnapps, vodka, cranberry juice, and a dash of lemon juice. The Flying Tiger is made of blueberry schnapps, vodka, orange juice, blue curaçao for color, and a hint of lemon juice. The Wingjammer has blueberry schnapps, vodka, blue curaçao (again for color), pineapple juice, and fresh blueberries. And the F-14 is blueberry schnapps and Champagne served as a royale with fresh blueberries as a dress.

The drinks are served over ice or frozen and garnished with keepsake plastic toy airplanes. **— Ken Frydman**

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Vol. 22, No. 40 October 3, 1988

NEWS DIGEST

Coniston asks TW Services to discuss possible merger

NEW YORK — Coniston Partners, one of the nation's mightiest corporate raiders, has advised TW Services, parent of Denny's and Canteen Corp., that it would like to meet with management to discuss the possibility of a friendly takeover.

TW has yet to respond. However, several days beforehand, the company adopted a series of anti-takeover measures, signaling an unwillingness to be acquired.

Coniston's invitation to TW's management ended one of the more perplexing mysteries to arise on Wall Street in recent months. Investors had been trying to guess what investor had secretly purchased a 19-percent stake in TW.

Coniston disclosed that it was the buyer at the same time it asked to meet with TW.

Republicans thwart Dems in minimum-wage battle

WASHINGTON — In an escalation of the minimum-wage battle, Republican senators narrowly defeated a measure that might have allowed Democratic opponents to replace the so-called subminimum wage provision with a measure less palatable to restaurateurs.

In its current form, the subminimum wage proposal would allow businesses to pay workers only 80 percent of the hourly minimum wage during their first 90 days on the payroll. The Democrats are seeking to replace that measure with a more restrictive schedule whereby employers could pay full-time students 85 percent of the wage floor if they work less than 20 hours per week.

Democrats have been unable to bring their counterproposal to a vote — a vote many believe the Democrats would win — because of their opponents' ongoing filibuster. The Republicans are attempting to thwart their opponents by defeating proposals to end the filibuster.

Horn & Hardart replaces Florescue as chairman

NEW YORK — Barry Florescue, whose tenure as Horn & Hardart chairman was marked by a decline in the performance of the company's restaurant holdings, has been replaced by former vice chairman Donald Schupak.

Horn & Hardart said it would give Florescue $4 million to retire his employment contract, which was to remain in effect for the next five years. In addition, the company said it paid $2 million for an option to buy Florescue's 1.3 million Horn & Hardart shares.

During Florescue's time as chairman, the Bojangles' Chicken & Biscuits fast-food chain slid into a steep financial decline, forcing Horn & Hardart to sell the 187-unit system for $20 million to a franchisee.

Ramada agrees to discuss buyout with Pritzker clan

PHOENIX, Ariz. — The top management of Ramada Inc., operator of the Ramada hotel and Marie Callender's restaurant chains, has agreed to meet with the head of Chicago's Pritzker family after rejecting the clan's $371 million takeover bid.

Ramada dismissed the Pritzkers' first bid as "grossly inadequate and unfair."

The Pritzkers already own 7.2 percent of Ramada's common shares.

Restaurateurs facing hike in credit-card commissions

CHICAGO — The commissions that restaurateurs pay for credit-card transactions are expected to rise sharply in 1989 as both MasterCard and Visa raise their processing fees.

The credit-card networks are actually increasing the fees paid by the banks that issue charge plates to consumers. But the increase is expected to be passed on to merchants.

MasterCard is scheduled to raise its fees by as much as 16 percent in January. Visa said that it would increase charges in April.

Associated mulls new deals after Nesbitt backs out

BEVERLY HILLS, Calif. — After being spurned by one suitor, Associated Hosts, operator of the Bombay Bicycle Club dinner-house chain, said it is meeting with several parties "interested in pursuing transactions involving the company."

Associated chairman Joseph Bulasky had agreed to sell a 35-percent stake in the company to Patrick Nesbitt, a local real-estate developer. Nesbitt had indicated in government filings that he might pursue a takeover of the restaurant operator.

But Nesbitt recently informed Associated that he would not exercise his option to purchase Bulasky's stake. No reason was given.

McFaddin stockholder gains rights to controlling stake

HOUSTON — A disgruntled shareholder of McFaddin Ventures, an operator of casual-themed restaurants and bars, has obtained an option to buy 52 percent of the company's stock from president and founder Lance McFaddin.

The stockholder "prefers not to be identified," a McFaddin Ventures spokesman said.

Lance McFaddin granted the option in an out-of-court settlement of a lawsuit filed against McFaddin Ventures and its officers by a shareholders group. Among the plaintiffs were football star Walter Payton and Hattiesburg, Miss.-based businessman Paul H. Holmes.

The suit, which sought $50 million in damages, alleged that McFaddin Ventures "wasted and misused corporate assets" in part by paying excessive salaries and granting attractive stock options to executives.

Judge slates pretrial physical for Helmsley

NEW YORK — A federal judge said he would appoint a physician to assess the mental and physical stamina of hotel and real-estate mogul Harry Helmsley before the 79-year-old billionaire is tried for fraud and tax evasion.

Helmsley's attorneys have asserted the trial too rigorous for their frail client.

Helmsley and Leona, his 68-year-old wife, have been charged with 47 counts of fraud and tax evasion. The couple, who own and operate the Helmsley and Harley hotel groups, allegedly bilked former partners and the Internal Revenue Service by charging the $3.6 million spent on the couple's Connecticut mansion to their hotel and real-estate businesses.

Circle K abandons limits on health-care benefits

PHOENIX, Ariz. — The Circle K convenience-store chain said it has dropped plans to deny health-care benefits to employees with ailments caused by alcohol abuse, drug addiction, or sexually contracted AIDS.

Circle K implemented the limitations on Jan. 1 but suspended them in August after strong objections were lodged by civil-rights advocates, groups representing AIDS victims, and benefits managers. The chain said at the time that it would study the matter.

The curtailments were scuttled because of "the widespread misunderstanding of the intent," Circle K said.

McD says Olympics may not be a winner

LOS ANGELES — The Seoul games could mark McDonald's swan song as a major sponsor of the U.S. Olympic team, the fast-food giant's marketing chief told a local reporter.

Chief marketing officer Paul Schrage said the fast-food giant was uncertain that the payback justifies the high cost of sponsorship. He also told the Los Angeles Times that the U.S. Olympic Committee's "attitude" toward benefactors had changed since 1984.

The Olympics have played a key role in McDonald's marketing schedule this year. The burger chain paid more than $15 million for rights to call itself an Olympic sponsor.

Family restaurants prove diners' favorite

NRN polls consumer eating-out habits

By Peter J. Romeo

Although family restaurant operators are singing the blues about declining customer traffic, the segment is nevertheless attracting more patrons than is any other type of eating place, according to a Nation's Restaurant News/Gallup survey.

Of 1,000 consumers contacted in a telephone poll, 31 percent said they chose a family restaurant when they last dined out.

In comparison, 23 percent said they had opted for a white-tablecloth restaurant, 20 percent reported visiting an ethnic restaurant, and 16 percent indicated that they had frequented a fast-food outlet.

Only 3 percent cited a seafood house as the scene of their most recent restaurant meal.

The survey was conducted at the tail end of a summer in which pollution-related beach closings roused consumer concerns about the safety of eating fish. It is impossible to determine from the poll if that apprehension was a reason for the reported low traffic at seafood restaurants.

Coming at what is regarded as a beleaguered time for family restaurants, the study seems to support the contention of many players that the segment is suffering more from an oversupply of restaurants than from a dearth of customers.

The typical unit of a major family restaurant chain will garner slightly more than $1 million in sales this year, or only 2.9 percent more than it took in during 1987, according to NRN research conducted before the summer.

Only 3 percent cited a seafood house as the scene of their most recent restaurant meal.

The slight rise, coupled with the National Restaurant Association's projected annual inflationary rate of 4.2 percent, indicates that the average chain-affiliated family restaurant is suffering about a 1.2 percent decline in customer counts.

The NRN/Gallup poll portrays the typical family restaurant customer as a white, married, middle-class, high-school graduate who spends an average of $7 to $10 per visit. The household income of the average patron falls between $25,000 and $75,000, and he is as likely to hold a white-collar job as a blue-collar position.

Among the 315 survey respondents who said they ate at a family restaurant the last time they ate out, 34 percent were between 18 and 34. Thirty-two percent fell within the 35-to-54 bracket, and 34 percent were 55 or older.

Only 26 percent of the unmarried survey respondents said they had their most recent away-from-home meal in a family restaurant. In contrast, 36 percent of the married participants said they frequented one on their last dining outing.

It is not surprising that 68 percent of the respondents who cited a family restaurant were married. Fifteen percent were single, 9 percent were widowed, and 7 percent were divorced.

The poll did not unearth any correlation between geography and respondents' propensity for eating in a family restaurant. Respondents were categorized as residing in one of four regions: Northeast, West, South Central, and North Central. Roughly one-third of each group mentioned a family-oriented place as the site of their most recent restaurant meal.

In contrast, persons living in the Northeast or West were more likely to name an ethnic place than were their peers from the other two regions.

The survey was conducted exclusively for NRN by Gallup Research, a Lincoln, Neb.-based research house. The company also supplies NRN with a month-by-month measure of consumers' awareness of fast-food advertising.

WHO ATE WHERE: RESTAURANT CHOICES BY VARIOUS DEMOGRAPHIC GROUPS

	Group Percentage who chose:			
	Fam. rests.	Fancy rests.	Ethnic rests.	Fast-food rests.
All respondents	31%	23%	20%	16%
Males	27	25	23	16
Females	35	21	19	15
Married persons	35	24	18	14
Unmarried persons	26	20	25	18
Persons with Income of:				
Under $10,000	27	16	22	22
$10,000-19,999	35	21	19	20
$20,000-39,999	36	19	19	16
$40,000-59,999	25	34	19	14
$60,000-74,999	20	33	27	6
$75,000-99,999	22	33	30	NA
$100,000+	37	30	26	4
Persons aged:				
18-24	22	19	27	25
25-34	31	21	22	18
35-44	35	18	21	15
45-54	27	29	21	13
55-64	40	28	14	8
65+	34	23	17	14

Source: NRN/SRI telephone poll of 1,000 consumers

Huston takes over as Pizza Hut's 'fortune teller'

Klepper assumes top financial officer spot

Huston

By Peter J. Romeo

WICHITA, Kan. — Pizza Hut has formalized the job of foretelling the future and assigned it to a high-level executive whose expertise is in measuring the recent past.

In what the world's largest pizza maker has called a strategic realignment, Allan Huston has been shifted from chief financial officer to senior vice president of development, with overall responsibility for the 5,700-unit chain's growth.

Usually that assignment means hunting for new restaurant sites, pursuing franchise opportunities, and perhaps choreographing an acquisition or two. But for Huston, the job also entails gazing into the pizza segment's future to see where Pizza Hut should move today to compete effectively far in the future.

"Allan's bailiwick is, What's next?" explained a Pizza Hut spokesman. "That could mean developing futuristic operations that will keep us competitive. Or maybe developing a new concept entirely different from our current red-roof restaurants and delivery outlets.

"Or it could mean something nearer term, like focusing on the express units we're currently doing. It means looking at anything that will help us put more pizza in people's mouths."

Pizza Hut has labeled that component of Huston's newly created post as "operations development."

More mundane responsibilities will include overseeing Pizza Hut's purchasing and management information services.

Previously, as senior vice president of finance and new business development, Huston was the chain's chief "numbers man," with responsibility for tracking the chain's sales performance.

A former understudy, Bill Klepper, has succeeded Huston as Pizza Hut's top financial officer. Klepper will retain the title of vice president of finance.

Klepper

Huston joined Pizza Hut in 1985 after serving in a number of management positions with the chain's parent company, Pepsico Inc.

The conglomerate also owns Kentucky Fried Chicken and Taco Bell.

Klepper, who joined Pizza Hut last year, is also a veteran of other Pepsico operations.

Marriott picks up Levy job at Illinois Center building

By Carolyn Walkup

CHICAGO — Marriott Corp.'s Business Food Services Division has succeeded the Levy Restaurants as manager of the Great State Fare, a 900-seat food court in the downtown State of Illinois Center government office building.

Levy developed the multistation fast-food court three years ago for The Palmer Group, the building's developer. Last year gross receipts totaled $3.2 million from a volume of about 6,000 breakfasts, lunches, and snacks daily Mondays through Fridays.

"We wanted to move onto other things that would give us a little more action right now," said Mark Levy, adding that the parting was amicable. "Our business was good, but not great. It was very respectable.

"We thought we could spend our energies more productively."

Levy expressed disappointment with governmental delays in opening underground tunnels connecting the building with City Hall and the Daley Civic Center. That underground network would add greatly to food court traffic during the winters, he said.

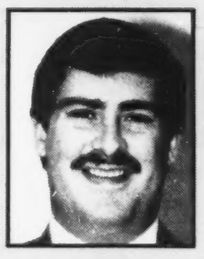
Ann Marie Crowley, a Palmer Group representative, said the developer and Levy Restaurants had a "difference in opinion on long-term strategy" and that Marriott is more interested in starting on-site catering. She concurred that the decision to change management was friendly.

Among the Levys' new projects are a full-service restaurant in the mall adjoining Chicago's first Bloomingdale's department store on North Michigan Avenue and two restaurants scheduled to open this winter in the Pleasure Island portion of Walt Disney World.

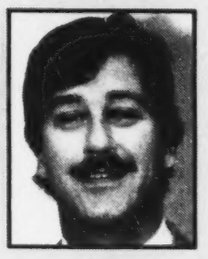
NRN makes newsroom changes

NEW YORK — Nation's Restaurant News, the weekly newspaper of the foodservice industry, has named two new high-ranking editors.

Rick Van Warner, a Nation's Restaurant News senior editor, has been named news editor, responsible for the activities of the writing staff.



Van Warner



Migdal

In addition, Dave Migdal, formerly a writer and copy editor at a San Antonio, Texas, newspaper, has been named senior desk editor, in charge of the Nation's Restaurant News copy desk.

Van Warner, who joined Nation's Restaurant News in July 1986, was most recently in charge of financial news. Previously, he wrote the newspaper's equipment column.

As news editor, he is responsible for overseeing the day-to-day operations of NRN's staff of writers in New York and at bureaus in Washington, D.C.; Los Angeles; Chicago; San Francisco; and Atlanta.

Before joining Nation's Restaurant News, Migdal worked for more than four years in the sports department of the San Antonio Light and before that at newspapers in Denver and Rawlins and Greybull, Wyo.

As senior desk editor, he oversees the NRN copy desk, which is the newsroom department that does the final editing on all articles, selects photographs, designs pages, writes headlines and captions, and meets printing schedules.

The appointments follow the planned departure of Tracey Taylor Woodard, who is resigning as news editor to pursue personal interests.

Both Van Warner and Migdal report to executive editor Rick Telberg, who reports to chief editor Charles Bernstein.